

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

UTILITY PATENT APPLICATION

FOR

METHOD OF PREBIDDING IN A COMBINED AUCTION FORMAT

BY

Bob Francis
Zeljko Stefanovic

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000
1001
1002
1003
1004
1005
1006
1007
1008
1009
1010
1011
1012
1013
1014
1015
1016
1017
1018
1019
1020
1021
1022
1023
1024
1025
1026
1027
1028
1029
1030
1031
1032
1033
1034
1035
1036
1037
1038
1039
1040
1041
1042
1043
1044
1045
1046
1047
1048
1049
1050
1051
1052
1053
1054
1055
1056
1057
1058
1059
1060
1061
1062
1063
1064
1065
1066
1067
1068
1069
1070
1071
1072
1073
1074
1075
1076
1077
1078
1079
1080
1081
1082
1083
1084
1085
1086
1087
1088
1089
1090
1091
1092
1093
1094
1095
1096
1097
1098
1099
1100
1101
1102
1103
1104
1105
1106
1107
1108
1109
1110
1111
1112
1113
1114
1115
1116
1117
1118
1119
1120
1121
1122
1123
1124
1125
1126
1127
1128
1129
1130
1131
1132
1133
1134
1135
1136
1137
1138
1139
1140
1141
1142
1143
1144
1145
1146
1147
1148
1149
1150
1151
1152
1153
1154
1155
1156
1157
1158
1159
1160
1161
1162
1163
1164
1165
1166
1167
1168
1169
1170
1171
1172
1173
1174
1175
1176
1177
1178
1179
1180
1181
1182
1183
1184
1185
1186
1187
1188
1189
1190
1191
1192
1193
1194
1195
1196
1197
1198
1199
1200
1201
1202
1203
1204
1205
1206
1207
1208
1209
1210
1211
1212
1213
1214
1215
1216
1217
1218
1219
1220
1221
1222
1223
1224
1225
1226
1227
1228
1229
1230
1231
1232
1233
1234
1235
1236
1237
1238
1239
1240
1241
1242
1243
1244
1245
1246
1247
1248
1249
1250
1251
1252
1253
1254
1255
1256
1257
1258
1259
1260
1261
1262
1263
1264
1265
1266
1267
1268
1269
1270
1271
1272
1273
1274
1275
1276
1277
1278
1279
1280
1281
1282
1283
1284
1285
1286
1287
1288
1289
1290
1291
1292
1293
1294
1295
1296
1297
1298
1299
1300
1301
1302
1303
1304
1305
1306
1307
1308
1309
1310
1311
1312
1313
1314
1315
1316
1317
1318
1319
1320
1321
1322
1323
1324
1325
1326
1327
1328
1329
1330
1331
1332
1333
1334
1335
1336
1337
1338
1339
1340
1341
1342
1343
1344
1345
1346
1347
1348
1349
1350
1351
1352
1353
1354
1355
1356
1357
1358
1359
1360
1361
1362
1363
1364
1365
1366
1367
1368
1369
1370
1371
1372
1373
1374
1375
1376
1377
1378
1379
1380
1381
1382
1383
1384
1385
1386
1387
1388
1389
1390
1391
1392
1393
1394
1395
1396
1397
1398
1399
1400
1401
1402
1403
1404
1405
1406
1407
1408
1409
1410
1411
1412
1413
1414
1415
1416
1417
1418
1419
1420
1421
1422
1423
1424
1425
1426
1427
1428
1429
1430
1431
1432
1433
1434
1435
1436
1437
1438
1439
1440
1441
1442
1443
1444
1445
1446
1447
1448
1449
1450
1451
1452
1453
1454
1455
1456
1457
1458
1459
1460
1461
1462
1463
1464
1465
1466
1467
1468
1469
1470
1471
1472
1473
1474
1475
1476
1477
1478
1479
1480
1481
1482
1483
1484
1485
1486
1487
1488
1489
1490
1491
1492
1493
1494
1495
1496
1497
1498
1499
1500
1501
1502
1503
1504
1505
1506
1507
1508
1509
1510
1511
1512
1513
1514
1515
1516
1517
1518
1519
1520
1521
1522
1523
1524
1525
1526
1527
1528
1529
1530
1531
1532
1533
1534
1535
1536
1537
1538
1539
1540
1541
1542
1543
1544
1545
1546
1547
1548
1549
1550
1551
1552
1553
1554
1555
1556
1557
1558
1559
1560
1561
1562
1563
1564
1565
1566
1567
1568
1569
1570
1571
1572
1573
1574
1575
1576
1577
1578
1579
1580
1581
1582
1583
1584
1585
1586
1587
1588
1589
1590
1591
1592
1593
1594
1595
1596
1597
1598
1599
1600
1601
1602
1603
1604
1605
1606
1607
1608
1609
1610
1611
1612
1613
1614
1615
1616
1617
1618
1619
1620
1621
1622
1623
1624
1625
1626
1627
1628
1629
1630
1631
1632
1633
1634
1635
1636
1637
1638
1639
1640
1641
1642
1643
1644
1645
1646
1647
1648
1649
1650
1651
1652
1653
1654
1655
1656
1657
1658
1659
1660
1661
1662
1663
1664
1665
1666
1667
1668
1669
1670
1671
1672
1673
1674
1675
1676
1677
1678
1679
1680
1681
1682
1683
1684
1685
1686
1687
1688
1689
1690
1691
1692
1693
1694
1695
1696
1697
1698
1699
1700
1701
1702
1703
1704
1705
1706
1707
1708
1709
1710
1711
1712
1713
1714
1715
1716
1717
1718
1719
1720
1721
1722
1723
1724
1725
1726
1727
1728
1729
1730
1731
1732
1733
1734
1735
1736
1737
1738
1739
1740
1741
1742
1743
1744
1745
1746
1747
1748
1749
1750
1751
1752
1753
1754
1755
1756
1757
1758
1759
1760
1761
1762
1763
1764
1765
1766
1767
1768
1769
1770
1771
1772
1773
1774
1775
1776
1777
1778
1779
1780
1781
1782
1783
1784
1785
1786
1787
1788
1789
1790
1791
1792
1793
1794
1795
1796
1797
1798
1799
1800
1801
1802
1803
1804
1805
1806
1807
1808
1809
1810
1811
1812
1813
1814
1815
1816
1817
1818
1819
1820
1821
1822
1823
1824
1825
1826
1827
1828
1829
1830
1831
1832
1833
1834
1835
1836
1837
1838
1839
1840
1841
1842
1843
1844
1845
1846
1847
1848
1849
1850
1851
1852
1853
1854
1855
1856
1857
1858
1859
1860
1861
1862
1863
1864
1865
1866
1867
1868
1869
1870
1871
1872
1873
1874
1875
1876
1877
1878
1879
1880
1881
1882
1883
1884
1885
1886
1887
1888
1889
1890
1891
1892
1893
1894
1895
1896
1897
1898
1899
1900
1901
1902
1903
1904
1905
1906
1907
1908
1909
1910
1911
1912
1913
1914
1915
1916
1917
1918
1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938
1939
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050
2051
2052
2053
2054
2055
2056
2057
2058
2059
2060
2061
2062
2063
2064
2065
2066
2067
2068
2069
2070
2071
2072
2073
2074
2075
2076
2077
2078
2079
2080
2081
2082
2083
2084
2085
2086
2087
2088
2089
2090
2091
2092
2093
2094
2095
2096
2097
2098
2099
2100
2101
2102
2103
2104
2105
2106
2107
2108
2109
2110
2111
2112
2113
2114
2115
2116
2117
2118
2119
2120
2121
2122
2123
2124
2125
2126
2127
2128
2129
2130
2131
2132
2133
2134
2135
2136
2137
2138
2139
2140
2141
2142
2143
2144
2145
2146
2147
2148
2149
2150
2151
2152
2153
2154
2155
2156
2157
2158
2159
2160
2161
2162
2163
2164
2165
2166
2167
2168
2169
2170
2171
2172
2173
2174
2175
2176
2177
2178
2179
2180
2181
2182
2183
2184
2185
2186
2187
2188
2189
2190
2191
2192
2193
2194
2195
2196
2197
2198
2199
2200
2201
2202
2203
2204
2205

which would be a silent auction which might take place over a number of weeks, or a static online auction such as those conducted on eBay™ or the like, where over the course of a period of a number of days, bidders can at their leisure submit bids. The intensity of the bidding session in a live auction
5 results in higher prices and more excitement for bidders as well.

One of the drawbacks to a live auction, from a bidder's perspective, is that the bidder must be in physical attendance during the actual conduct of the live auction to place their bids. For any number of reasons, including the physical
10 location of the live auction, the timing of the live auction or in any number of other circumstances, it might just be impractical for a bidder to attend the live auction, but they may wish to still submit a bid during the live auction bidding session on a particular auction lot.

SUMMARY OF THE INVENTION

15 It is the object of the present invention to provide a system and method whereby a bidder could place a bid in respect of an auction lot in advance of the opening of the live auction bidding session. Within this document, this will be referred to as a "prebid". Where more than one prebid was submitted with respect to an auction lot, a winning prebid would be selected and that prebid

only would be submitted to the live auction of the auction lot.

The method and apparatus of the present invention use a prebid Web site system whereby a bidder can submit a prebid to the prebid Web site system from their bidder computer. The prebid Web site system contains a merchandise database which contains information pertaining to auction lots on which prebids can be placed, and it also contains a prebid database which contains the details of prebids which are received from bidders in respect of auction lots.

There would be a specified time frame in respect of each auction lot stored in the merchandise database within which bidders could submit prebids to the prebid Web site system. Prebids submitted either in advance of opening of said specified time frame or after the expiry of said specified time frame would be ignored. This gives the system a degree of definiteness and, while it does allow bidders to potentially place a prebid without having to attend to the actual live auction session of the auction lot in which they are interested, it is also possible by setting the specified time frames properly in respect of the various auction lots stored in the merchandise database to allow either the auctioneer

or the system itself to have time to properly process and select the winning prebid from those received and prepare it for submission to the live auction.

There is disclosed in one embodiment of the present invention a method of accepting prebids in advance of a live auction, wherein the method comprises providing a prebid Web site system to accept prebids, said Web site system including a merchandise database of information pertaining to auction lots each to be sold in a live auction and a prebid database in which the details of prebids received from bidders in respect of said auction lots can be stored.

Using the Web site system, prebids can be accepted in respect of an auction lot from the merchandise database within a specified time frame by allowing bidders to transmit prebids to the Web site system from their bidder computers. Each prebid transmitted, in addition to bidder identifying information and information identifying the auction lot in respect of which the prebid is placed, would include a maximum prebid amount, which would be the amount that the bidder was prepared to bid during the live auction of the auction lot.

The details of previously placed prebids and data from the merchandise

database could be displayed to potential bidders in advance of their placement of a prebid in accordance with the present invention.

5 The prebids which are received by the Web site system would be recorded in the prebid database upon receipt thereof. Upon expiry of the specified time frame in respect of an auction lot, no further prebids would be accepted by the Web site system and the Web site system would proceed to select the winning prebid in respect of an auction lot and the winning prebid in respect of an auction lot would be submitted to the live auction of that lot.

10 The winning prebid selected might be the prebid with the highest maximum prebid amount, or it could be that an additional formula would be used to calculate a winning prebid. It will be understood that any type of a selection from the prebids received and stored in the prebid database within the specified time frame is contemplated within the scope of the present invention.

15 The prebids accepted by the Web site system of the present invention could be accepted for submission to either a physical auction, where the winning prebid would be reported to the auctioneer for manual entry into the actual live

auction bidding session, or alternatively the system and method of the present invention might accept prebids for later entry into an online auction.

A live online auction is similar to a physical auction insofar as while being
5 conducted in an online format there is still an intensive and abbreviated
bidding session, likely moderated or participated in by an auctioneer. In the
case of the live auction of an auction lot being an online auction, the Web site
system of the present invention might be operatively connected to the auction
system of the online auction and the winning prebid in respect of an auction
10 lot might then be automatically communicated or transmitted into the bidding
session of the live auction on the particular auction lot from the prebid Web
site system to the auction system of the online auction. It will be understood
that, the actual aggregation of prebids and calculation of the winning prebid
therefrom being at the heart of this invention, the actual entry of a winning
15 prebid into a live auction bidding session can be contemplated by one skilled
in the art and that all such variations are contemplated within the scope of the
present invention.

Variations on the actual prebid methodology can also be contemplated within

the scope of the present invention. For example, each bidder might only be allowed to submit one prebid in respect of an auction lot, or alternatively bidders might be able to submit more than one prebid in respect of an auction lot which could in effect result in a static auction in advance of the live auction of the auction lot, since upon reviewing other prebids placed by other users with respect to the auction lot, if the bidder were able to submit more than one prebid, they could submit additional prebids if they wished to ensure that they had the winning prebid going into the live auction bidding session.

Also beyond the direct consideration of the present invention is the point within the live auction of an auction lot at which the winning prebid is submitted. It will be understood that the winning prebid might either be submitted as the opening bid or at the opening of bidding in the live auction of the auction lot, or alternatively the winning prebid might be submitted to the live auction of the auction lot at some point following the opening of bidding or in the normal course of bidding, depending on the maximum prebid amount of the winning prebid. It will be understood again that variations hereon are all contemplated within the scope of the present invention.

The Web site system of the present invention could contain, in the merchandise database, details of numerous auction lots from one or more separate live auction sales. In the case of a prebid Web site system containing auction lots in the merchandise database for more than one live auction sale, a single Web site system could be used as an aggregator or collector of prebid information with respect to all of those auction lots and then the winning prebids in respect of various auction lots could be reported out to their respective live auction sales at the appropriate times. As well, in a Web site system of the present invention containing information pertaining to auction lots in more than one live auction sale, the specified time frame in which prebids will be accepted with respect to individual auction lots might vary and, as such, prebidding on certain auction lots might automatically be ceased at a certain point while prebidding continued on other lots for which the specified time frame had yet to expire.

While it is the maximum prebid amount of the winning prebid which will be submitted as the bid amount to the live auction of the auction lot, it will be understood that there are variations which can be contemplated with respect to the selection of the winning prebid. One such variation contemplates the

inclusion of a preset bid increment in respect of an auction lot stored in the merchandise database, and the optional inclusion of a minimum prebid amount in prebids submitted by bidders to the Web site system. A prebid which contained such a minimum prebid amount would be a flexible prebid and the adjustable prebid balance for that prebid would start at the minimum prebid amount of the prebid. Any prebid which did not include a minimum prebid amount would be a fixed prebid and the prebid balance of that fixed prebid would equate to the maximum prebid amount set by the bidder in submission of the prebid. The system and method of the present invention might accommodate both flexible and fixed prebids with respect to an auction lot, or might require that all prebids in respect of a particular auction lot be either fixed or flexible in nature. It will be understood that all such variations are contemplated within the scope of the present invention.

That terminology now having been established, the selection of the winning prebid in respect of an auction lot might comprise the conduct of at least one knockout calculation within which the prebid threshold would be determined, which would be the highest prebid balance of any remaining prebids in respect of the auction lot. Once the prebid threshold has been calculated, any prebids

whose maximum prebid amount was less than the prebid threshold would be removed from further consideration. Also then removed from further consideration would be any flexible prebids whose the prebid balance was less than the bid threshold and the difference between the prebid balance and the maximum prebid amount of that prebid was less than the preset bid increment for the auction lot in question. Upon the removal from consideration of any flexible or fixed prebids meeting these above criteria, the prebid balance of any remaining flexible prebids would be adjusted by adding the preset bid increment of the auction lot in question thereto. Further knockout calculations would be conducted until only one prebid remained, in which case the remaining prebid would be the winning prebid in respect of the auction lot.

In respect of this incremental prebid comparison resulting in the selection of the winning prebid, the maximum bid amount of the winning prebid might be adjusted to be the final prebid balance thereof following the last knockout calculation. In the case of a flexible prebid, this would mean that the amount might be adjusted to the final incremented prebid balance, or alternatively the maximum bid amount for a winning prebid regardless of whether it was flexible or fixed might remain at its preset maximum amount as set by the bidder when

the bid was submitted. It will be understood that all such variations on the calculation of a winning prebid and its maximum bid amount are contemplated within the scope of the present invention. It is specifically contemplated that in most cases it would be the desire of the operator of the prebid Web site system as well as the live auction of a particular auction lot that the maximum prebid amount of a winning prebid be the amount which is submitted to the live auction or to which the bidder placing such a prebid is committed to spend in the live auction. In the case of a flexible prebid, an amount less than the maximum prebid amount might be submitted to the live auction, but the flexible prebid could then be incremented within the live auction up to as high as the maximum prebid amount to keep that bidder in the auction.

The prebid Web site system disclosed herein would include a merchandise database containing information pertaining to auction lots to be sold in a live auction as well as a prebid database which would contain details of each prebid placed in respect of an auction lot by a bidder, including a maximum prebid amount for each prebid placed. There would also be a prebid control system which would allow placement of a prebid in respect of an auction lot within a specified time frame by receiving the details of a prebid, including the

maximum prebid amount transmitted from a bidder computer as well as bidder and auction lot identification, and recording said prebid in the prebid database.

Upon expiry of the specified time frame, the prebid control system would select the winning prebid from the prebids already stored in the prebid database. The winning prebid would then be submitted to the live auction of the auction lot.

DESCRIPTION OF THE DRAWINGS:

While the invention is claimed in the concluding portions hereof, preferred embodiments are provided in the accompanying detailed description which may be best understood in conjunction with the accompanying diagrams where like parts in each of the several diagrams are labeled with like numbers, and where:

Figure 1 is a general concept diagram of the system and hardware of one embodiment of the present invention;

Figure 2 is an architectural drawing of a prebid Web site system in accordance with Figure 1;

Figure 3 demonstrates the flow of a typical series of prebid transactions through the prebid Web site system of the present invention;

Figure 4 demonstrates the flow of a prebid transaction between a bidder computer and the web site system of the present invention; and

Figures 5 to 7 are sample web pages which might be used in the practice of an embodiment of the present invention.

Listing of diagram reference numerals:

1. bidder computer
2. prebid Web site system
3. server
4. Internet
5. Web browser

6. merchandise database
7. prebid database
8. HTML documents
9. computer program
- 5 10. merchandise database maintenance component
11. prebid database maintenance component
12. prebid control system

DETAILED DESCRIPTION OF THE ILLUSTRATED EMBODIMENTS:

To facilitate a complete understanding of the invention, the description of the preferred embodiments herein are arranged within the following sections:

1. Glossary of Terms and Acronyms
2. Overview of System Components and Operation
3. Merchandise Database
4. Prebid Database

5. Prebid Control System
6. Selection of the Winning Prebid
7. Conclusion

5

Glossary of Terms and Acronyms

The following terms and acronyms are used throughout the detailed description:

10

Client-Server. A model of interaction in a distributed system in which a program at one site sends a request to a program at another site and waits for a response. The requesting program is called the "client," and the program which responds to the request is called the "server." In the context of the World Wide Web (discussed below), the client is a "Web browser" (or simply "browser") which runs on a computer of a user; the program which responds to browser requests by serving Web pages is commonly referred to as a "Web server."

15

Internet. A collection of interconnected (public and/or private) networks that are linked together by a set of standard protocols (such as TCP/IP and HTTP) to form a global, distributed network. (While this term is intended to refer to what is now commonly known as the Internet, it is also intended to encompass variations which may be made in the future, including changes and additions to existing standard protocols.)

World Wide Web ("Web"). Used herein to refer generally to both a distributed collection of interlinked, user-viewable hypertext documents (commonly referred to as Web documents or Web pages) that are accessible via the Internet, and the client and server software components which provide user access to such documents using standardized Internet protocols.

Currently, the primary standard protocol for allowing applications to locate and acquire Web documents is HTTP, and the Web pages are encoded using HTML. However, the terms "Web" and "World Wide Web" are intended to encompass future markup languages and transport protocols which may be used in place of (or in addition to) HTML and HTTP.

Web site. A computer system that serves informational content over a network using the standard protocols of the World Wide Web. Typically, a Web site corresponds to a particular Internet domain name, such as abc.com," and includes the content associated with a particular organization. As used herein, the term is generally intended to encompass both the hardware/software server components that serve the informational content over the network, and the "back end" hardware/software components, including any non-standard or specialized components, that interact with the server components to perform services for Web site users.

HTTP (HyperText Transport Protocol). The standard World Wide Web client-server protocol used for the exchange of information (such as HTML documents, and client requests for such documents) between a browser and a Web server. HTTP includes a number of different types of messages which can be sent from the client to the server to request different types of server actions. There are also secure types of protocols or additions to the basic HTTP protocol used on the Internet. One of these, which is used to

add security to transmissions, is a secure socket layer protocol, also referred to as "SSL".

HTML (Hypertext Mark-up Language). A standard coding convention and

5 set of codes for attaching presentation and linking attributes to informational content within documents. During a document authoring stage, the HTML codes are embedded within the informational content of the document and when the Web document (HTML document) is subsequently transferred from a Web server to a browser, the codes are
10 interpreted by the browser and used to parse and display the document. In addition to specifying how the Web browser is to display a document, HTML tags can also be used to create links to other Web documents.

Overview of System Components and Operation

15 Figure 1 illustrates the general architecture of a prebid Web site system operating in accordance with the present invention. It includes at least one bidder computer (1) and a prebid Web site system (2), which are linked together by the Internet (4). In Figure 1 there are three bidder computers (1)

shown, but it will be understood that the number of bidder computers (1) which could be engaged in a prebid process conducted by the present invention are limited only by the communications and hardware capacity of the prebid Web site system (2) and that all such numbers of bidder computers (1) are contemplated within the scope of the present invention.

The prebid Web site system (2) is a site that provides various functionality for allowing bidders to place prebids in respect of products, services or other auction lots to be given up eventually for sale by a live auction. Typically, this Web site system (2) will be operated by a business entity (referred to herein as the "auctioneer") that handles the operation of auction sales.

The bidder computer (1) might be any type of a computing device that would allow a user/bidder to interactively browse Web sites via a Web browser (5).

For example, the bidder computer (1) might be a personal computer running any one of the Microsoft Windows™ operating systems. It will be understood that other types of computing devices running other operating systems could also be used as the bidder computer (1) so long as they were able to connect to the Internet (4) and accommodate the interaction between the bidder

computer (1) and the prebid Web site system (2) by a Web browser (5) installed therein, and that all such other devices are also contemplated within the scope of the present invention.

5 It will be understood that any type of product or service could be the auction lot which a prebid could be placed upon, and placing prebids on any type of an auction lot, service or commodity is contemplated within the scope of the present invention.

10 The prebid Web site system (2) of the present invention consists, hardware wise, primarily of a server (3) with the necessary software components installed therein to conduct the prebidding process as well as to communicate with the bidder computers (1). Further attributes and requirements of the server (3) and the software components installed therein will become apparent
15 from the description to follow. The prebid Web site system (2) will interface with a bidder computer (1) by way of a bidder Web browser (5).

Software components installed on the server (3) would include a prebid control system (15), which could accept and process prebids transmitted from a

bidder computer (1) to the server (3).

The prebid Web site system (2) would also include a merchandise database (6) in which would be stored the particulars of auction lots upon which it was desired to allow bidders to place prebids. The merchandise database (6), as will be outlined in further detail below, could include various descriptive information regarding an auction lot which is was desired to allow bidders to browse or view through their Web browser (5) in advance of placing a prebid.

The merchandise database (6) might also include the criteria or parameters which determine the types of prebids which are allowed to be placed by a bidder with respect to particular auction lots. The format of the prebidding process might vary between auction lots and, as such, where it was desired to vary the process or acceptable terms of prebids between auction lots those parameters could be stored in the merchandise database (6).

The prebid Web site system (2) would also include a prebid database (7), in which would be stored the particulars of prebids placed by various bidders with respect to auction lots from the merchandise database (6). It will be

understood that the prebid database (7) could also contain additional information to extend the functionality of the system of the present invention, but the baseline requirements for the proper operation of the Web site system (2) would be that each record in the prebid database (7) contain bidder
5 identification, identifying the bidder who had placed the prebid, as well as the maximum prebid amount and the auction lot from the merchandise database (6) in respect of which the prebid was placed.

10 The Web site system (2) also includes a plurality of HTML documents or the like (8) which are used and served to bidder Web browsers (5) during the course of the conduct and placement of a prebid in accordance with the system of the present invention.

15 In operation of the system (2), a bidder would access the prebid Web site system (2) using a standard Web browser (5) such as Microsoft's Internet Explorer™ or Netscape's Navigator™, which uses the HTTP protocol to communicate with the Web server (3) of the Web site (2). The Web server (3) contains a local store of documents (8) (in the form of HTML or "Web" documents) which can be requested, retrieved and reviewed by the

customer/bidder via the Web browser (5). This catalogue of HTML documents (8) could include various descriptive information regarding auction lots offered for sale in an eventual live auction and would also include documents to be viewed and used in the placement of prebids with the Web site system (2).

5 Through the browser (5), the Web site (2) and the associated server (3), a bidder would be able to transact prebidding business with the auctioneer.

The HTML document (8) served by the Web site (2) would include particular documents or pages which would be used by bidders to place prebids on auction lots stored in the merchandise database (6). By way of special
10 hyperlinks or otherwise, the particulars of a prebid including the maximum prebid amount could be entered in the browser (5) and transmitted from the browser (5) to the server (3) for recordal in the prebid database (7).

15 A bidder would need to provide identifying information to the Web site system (2) along with the remainder of their prebid in order that the prebid could be properly stored in the prebid database (7) and attributed back to the appropriate bidder at the time of selection of a winning prebid at the expiry of the specified time frame, and/or at the time of the submission of a winning

prebid to the live auction in respect of an auction lot. In one implementation of the prebid Web site (2), the Web site (2) might also include a bidder database which would contain details of registered bidders. The bidder database might be managed by a bidder database maintenance component
5 of the computer program (9) in the server (3) which might also then assign some type of an identifier or symbol to each registered bidder which the bidder could use as an abbreviation or identifier in the placement of prebids with the prebid Web site system (2).

10 Since the identity of a bidder is required in order to validate or properly log a prebid submission in the prebid database (7), the bidder would either need to identify themselves in the prebid request which was transmitted to the Web site system (2) from their browser (5), or else the prebid Web site (2) might utilize cookie technology to allow the bidder to identify themselves from their
15 computer at one point and the cookie would then be stored on the bidder computer (1) and could be retrieved from the bidder computer (1) by the Web server (3) at the time of receipt of a prebid submission and the software (9) within the Web server (3) would execute a query against previously stored bidder information to which the Cookie would correlate. Any of a variety of

alternative techniques could be used to identify the bidder, including prompting the bidder for a user ID and/or using URL information returned by the bidder's Web browser (5).

5 As outlined herein, the Web site system (2) of the present invention would allow bidders to submit prebids with respect to an auction lot in the merchandise database (6) within a specified time frame. The specified time frame for all auction lots might be the same, or there might be different specified time frames within which prebids could be accepted with respect to
10 different auction lots. It will be understood that any such variation is contemplated within the scope of the present invention.

Acceptance of prebids in respect of an auction lot would cease upon the expiry of the specified time frame with respect to that auction lot.

15 In addition to identifying themselves in a prebid submission, a bidder would submit a maximum prebid amount with respect to an auction lot, and the maximum prebid amount would be stored in the prebid database (7) along with the bidder identifying information and a key into the merchandise database (6)

as well. For example, a bidder who wished to place a prebid of \$3,000 with respect to an auction lot could submit a prebid in which the maximum prebid amount was specified to be \$3,000.

5 When a bidder accesses the Web site (2) for the purposes of placing a prebid, the site server (3) would serve HTML documents or other content to the Web browser (5) of the bidder which would allow the bidder to enter the particulars of their prebid, including the maximum prebid amount, and might also display information pertaining to the auction lot from the merchandise database (6) and/or might also include a display of information from the prebid database (7) about previous prebids which had been accepted in respect of the merchandise or auction lot in question.

When the server (3) receives a prebid from a browser (5) of a bidder at a bidder computer (1), the software (9)/(15) within the server (3) would record the details of that prebid in the prebid database (7), provided that the specified time frame for acceptance of prebids with respect to that particular auction lot had not yet expired.

Upon expiry of the specified time frame for acceptance of prebids with respect to a particular auction lot, the server (3) and its software components (9) would select the winning prebid from prebids which had been recorded in the prebid database (7) within the specified time frame. Various types of calculations or formulae might be used to determine what was the winning prebid. In any event, once the winning prebid with respect to a particular auction lot was selected, that winning prebid could be submitted during the live auction of that auction lot, on behalf of the bidder who placed the winning prebid.

Where the live auction of one or more auction lots was going to be an actual physical auction with a bidding session taking place at an actual auction venue, the submission of the winning prebid in respect of various auction lots might consist of preparing a report for the auctioneer of the winning prebids selected with respect to each of said auction lots, and the auctioneer could then physically or verbally submit those winning prebids in respect of the auction lots in question during the bidding session on the auction lots.

Alternatively, where the live auction of one or more auction lots was to be either a hybrid physical and online auction, or where the auction was to take

place entirely online through some type of a live online auction system, the prebid Web site system (2) of the present invention might be operatively connected to the auction system of the live auction and the winning prebid with respect to various auction lots could then be automatically submitted to the live auction bidding session of the online auction conducted by the auction system at the appropriate time.

Various approaches or methods, or formulae, might be used to select the winning prebid from prebids received with respect to a particular auction lot.

Anticipated variations or embodiments of the winning prebid selection process are outlined in further detail below under the heading of "Selection of the Winning Prebid".

The following sections outline in further detail some of the various embodiments or functions which might be used in conjunction with the present invention.

Merchandise Database

It will be understood that the merchandise database could contain records on auction lots for more than one live auction sale and that the parameters of prebidding which would be allowed with respect to each auction lot could be varied by storing said parameters in the merchandise database. For example, in respect of one particular auction sale, lots in that auction sale might only be available for the placement of fixed prebids, or in other cases a blend of fixed and flexible prebids might be allowed. The specified time frame within which prebids can be placed with respect to particular auction lots could vary and could actually vary between lots for the same actual live auction sale. It will be understood that this additional level of flexibility, as well as the ability to use a single prebid Web site system of the present invention to aggregate prebids on auction lots for more than one actual live auction, are all contemplated within the scope of the present invention.

The Web server (3) of the prebid Web site system (2) includes a computer program (9) which, through various software components, would carry out the administration and operation of the prebid method and system of the present invention. One aspect of the computer program (9) could be a merchandise database maintenance component (16) which would be responsible for the

upkeep of records in the merchandise database (6) pertaining to auction lots on which bidders can place prebids. Each record of the merchandise database (6) could correspond to an auction lot which would be auctioned off eventually in a live auction and on which it was desired to provide bidders the ability to place prebids by way of the Web site system (2) of the present invention. The merchandise database (6) would be stored in the memory of the server (3) and the merchandise database maintenance software component (16) could be any software component capable of accessing and administering this database (6). It will be understood that the precise structure of the database (6) could be any type of database structure which could be administered by a software component (16) in the Web server (3) and that all types of data structures are contemplated within the scope of the present invention.

One function of the merchandise database maintenance software (16) could be to maintain any changes made to records of the merchandise database (6) as a result of or during the placement of prebids conducted in accordance with the system of the present invention. As well, the merchandise database maintenance software component (16) could be responsible for serving

information from the merchandise database (6) either to other software components within the server (3) or Web site system (2) or to the browser (5) of a bidder through the server (3). While beyond the immediate scope of the present invention, it will also be understood that the merchandise database
5 maintenance software (16) could also allow for administration and adding of new lots to the merchandise database (6), or the removal of lots from the merchandise database (6), or archival of information therefrom upon completion of the specified time frame for placement of prebids with respect to various auction lots.

10 Various types of information could be kept in the merchandise database (6) for internal use in the conduct of prebids with respect to that auction lot, or alternatively the information contained in the merchandise database (6) with respect to an auction lot might also include descriptive information, multimedia
15 content or the like which could be displayed to a browser (5) to assist the bidder at the bidder computer (1) in the assessment or placement of a prebid in respect of an auction lot.

The internal information which might be contained within the merchandise

database (6) with respect to each auction lot might include specifics of the types of prebids which are to be allowed with respect to that auction lot – for example, as will be outlined further below, it might be possible that on certain auction lots it was desired to allow the placement of fixed prebids and in other circumstances it might be allowable to place either a fixed or a flexible prebid, or a flexible prebid only, in respect of a particular auction lot. As well, the specified time frame within which prebids could be accepted by the Web site system (2) in respect of that auction lot could be stored in the merchandise database record pertaining to that auction lot and the prebid control system (15) could then identify this specified time frame with the merchandise database (6) at the time of assessing the validity of a prebid transmitted from a bidder computer (1).

Prebid Database

A prebid database (7) is also present in the computer server (3) and a prebid database maintenance component (17) would be present in the computer program (9) of the server (3) to maintain the prebid database (7).

The prebid database (7) will be used to record various prebids placed in respect of auction lots contained in the merchandise database (6). The prebids which are recorded in the prebid database (7) could then be reviewed by the prebid control system (15) upon expiry of the specified time frame for acceptance of prebids in respect of that auction lot to determine the winning prebid. The winning prebid could then be submitted by the prebid control system (15) to the actual live auction of that auction lot in due course.

It will be understood that the type of information to be stored in the prebid database (7) could again vary in levels of complexity. The base information which will need to be stored with respect to a prebid would be the maximum prebid amount, identification of the bidder having placed the prebid which might be linked to a bidder database in certain embodiments, as well as an identifier or key to the merchandise database (6) identifying the auction lot in respect of which the prebid is placed. Other data-checking fields in the data structure of the prebid database (7) might include date and time of acceptance of prebids, validation flags or the like. It will be understood that the prebid database maintenance component (17) is responsible for the maintenance of the prebid database (7) either independently or in conjunction with the prebid

control system (15).

The prebid database (7) would, in one embodiment, be a database structure containing a plurality of records, each record corresponding to a prebid placed by a bidder with respect an auction lot contained in the merchandise database (6). It will be understood that the structure of the prebid database (7) could be any type of a database or file structure which is accessible to the prebid database maintenance component (17) of the server software (9). Similarly, the prebid database maintenance component (17) could be any software component which would be capable of accessing and administering the particular database structure chosen for the prebid database (7).

Prebid Control System

The handling of prebids in the Web site (2) is carried out by a prebid control system component (15) of the software (9) within the server (3) on the Web site (2). In the embodiment shown, the prebid control system (15) will interface directly or indirectly with the merchandise database (6) and the prebid database (7) for the purposes of receiving, authenticating and recording

prebids received from bidder computers (1), as well as for, at the appropriate time, selecting the winning prebid in respect of an auction lot for eventual entry into the live auction of an auction lot.

5 As outlined in further detail herein, the basic concept of the present invention is to provide an online prebid Web site system (2) wherein prebids can be placed on auction lots by bidders, in advance of a live auction. A bidder is able to submit a prebid to the system (2) of the present invention which is recorded and then the best prebid which is received in respect of an auction
10 lot will be entered into the live auction bidding session of that auction lot at such point in time as the live auction takes place. The system will only accept prebids in respect of an auction lot within a specified time frame and after the cut-off of said time frame the winning prebid will be selected.

15 The prebid control system (15) would receive the details of prebids which were transmitted to the Web site (2) from bidders from their browser (5) at their bidder computer (1). Bidders might transmit their prebid details through an HTML form or other types of HTML, XML or Java page elements or the like, any of which can be contemplated to be effective in the collection of data from

a user. It will be understood that many types of data entry methods via the browser can be contemplated and insofar as any method might accomplish the objective of allowing a bidder to enter and transmit the details of a prebid to the web site system of the present invention, all such modifications and
5 methods are contemplated within the scope of the present invention.

Upon review and validation of the data obtained in a prebid transmitted from a browser (5), the prebid control system (15) would verify that the specified time frame within which prebids were able to be accepted with respect to the
10 particular auction lot in question was still open and that, as such, the prebid could be accepted. If the specified time frame for acceptance of prebids with respect to the auction lot in question was open and the prebid otherwise determined to be valid, the prebid control system (15) would record the details of the prebid into the prebid database (7) via the prebid management
15 component (17).

When the specified time frame in respect of an auction lot in the merchandise database (6) expires, meaning that no further prebids can be accepted by the system (2), the prebid control system (15) then will proceed to select or

determine the winning prebid from those prebids received and recorded in the prebid database (7) within the specified time frame with respect to the particular auction lot. Various formulae could be used to determine what was the winning prebid, but in any event a winning prebid would be determined and that winning prebid would then be submitted to the live auction of the auction lot by the prebid control system (15). Some foreseeable embodiments of the actual selection process for winning prebids are outlined in further detail under the next heading.

The prebid control system (15) would submit the winning prebid to the live auction of the auction lot in question. This could be done in a number of ways.

Where the live auction of that auction lot was to be a physical auction by an actual auctioneer at an auction location, the prebid control system (15) could submit a winning prebid by generating a report for the auctioneer who could then manually insert that winning prebid into the auction of the auction lot at the appropriate time. Alternative to the printing of a report might be the generation of some other kind of a status report or feedback which might include an e-mail, a transmission to an Internet site of the auctioneer, or the like. It will be understood that any type of a communication of the particulars

of the winning prebid from the prebid control system (15) to a live auctioneer in the case of a physical auction is contemplated within the scope of the present invention.

5 Alternatively, where the live auction of an auction lot on which prebids have been received was to be conducted in an online format, the prebid Web site system (2) of the present invention might be operatively connected to the online auction system of that live auction and the details of the winning prebid in respect of an auction lot could be automatically communicated to such a control system for automatic insertion or inclusion in the online live bidding session with respect to that auction lot. It might also be the case that the prebid Web site system (2) of the present invention might be modified to actually include the additional necessary software components to itself host a live online auction of these auction lots and, in that case, the software components of the online auction could access the winning prebids in the prebid database (7). It will be understood that any method of communicating the results of the prebidding process on an auction lot to the operator of a live auction is contemplated within the scope of the present invention.

As outlined above, the method of submission of such winning prebid in its maximum prebid amount to the live auction of the auction lot could take place in any number of fashions. It could also be entered into the bidding session of the live auction with respect to the auction lot at a number of different times.

5 For example, the winning prebid with respect to an auction lot could be entered into the live auction bidding session as the opening bid on the auction lot or, as it more likely the case, the winning prebid could be entered into the live auction bidding session at some point subsequent to the commencement of bidding on the particular auction lot in question. It will be understood that
10 these various time frames are all contemplated within the scope of the present invention as well.

Figure 4 demonstrates the transaction flow in the placement of a prebid in respect of an auction lot using one embodiment of the system of the
15 present invention. The embodiment used in Figure 4 is an embodiment of the system of the present invention which includes a merchandise database (6) and a prebid database (7), each with their own software management components (16) and (17) respectively. It will be understood that in a very basic embodiment of the invention it may not be necessary to maintain all

of this information in the computer system of the Web site (2) and the obvious variations thereon will be contemplated within the scope of the present invention.

5 The browser request, shown at 4(a), would be transmitted from the browser (5) to the Web server (3), and upon receiving this request, the server (3) would transmit an HTML document (8) back from its document repository to the browser (5) for display to the bidder. This is shown at Step 4(b). The HTML document transmitted could show the status, etc., and also
10 potentially spell out the time remaining to submit prebids. It might for example resemble the display of Figure 5.

The bidder, should they wish to do so, could place a prebid by selecting the details of their prebids – i.e. fixed, flexible or otherwise, as well as the
15 maximum, minimum or other prebid amounts or parameters. The selection of prebid criteria, by way of selecting a link or whatever other particular content design is provided for the selection of a bid increment, is shown at Step 4(c). The bid selection made at Step 4(c), along with whatever other identifying information was necessary, would be sent from the browser (5)

to the server (3), shown at Step 4(d). Figure 5 and Figure 6 show the particulars of one method of entry of prebid particulars for either fixed or flexible prebids using an HTML form. It will be understood that this is only one example of how this aspect of the invention might be accomplished.

5

The next step in the process is the server (3) receiving the prebid data which had been posted from the browser (5), which is illustrated at Step 4(e). The prebid data which is received is processed by the computer program (10) and logged into, in this case, the bid database (7) upon validation.

10

In terms of communication between the browser (5) and the server (3), it will be understood that other alternative formats to HTML are also available, including XML, JAVA™ or the like, and that any method of serving data from the server (3) to the bidder browser (5) and displaying it therein is contemplated within the scope hereof.

15

As also outlined above, the bidder would need to identify themselves to the system (2) in order to place bids. The bidder might identify themselves at

the time of transmitting their bid, Step 4(c)/4(d), or there might be a Cookie or some other type of Web technology installed on the bidder computer (1) which would be used to identify the bidder in accepting the bid and attributing it to the proper bidder when stored in the Web site system (2).

5

Upon closing of the specified time frame for acceptance of prebids with respect to an auction lot, the winning prebid could be selected.

Figure 7 shows a sample of a status screen which might be displayed to users of the web site system of the present invention showing the prebid status of various auction lots.

The system could allow bidders to browse details of merchandise or auction lots from the merchandise database, and/or details of prebids from the prebid database.

Choosing the Winning Prebid

The basic premise of the system and business method of the present invention is that bidders are allowed to place a prebid on an auction lot in advance of a live auction of this auction lot, and the bidder who places the highest or most attractive prebid will have their winning prebid entered into the bidding session of the live auction of the auction lot at such point in time as that takes place.

As outlined above, the prebid control system (15) and other software components (9) within the server (3) of the Web site system (2) of the present invention could automatically select the winning prebid from prebids recorded in the prebid database (7) within the specified time frame pertaining to a particular auction lot.

The simplest method of selecting a winning prebid from prebids received and stored in the prebid database (7), would be to select the prebid with the highest maximum prebid amount. For example, if eight prebids were received with respect to a particular auction lot and they ranged from \$500 to \$15,000, the highest (\$15,000) prebid would be the winning prebid which would be submitted to the live auction of that auction lot when the live auction took

place.

Another embodiment of the selection of the winning prebid from those received with respect to an auction lot involves some modifications to the software components in the system (2), which yield a more flexible prebidding mechanism than the mechanism of simply allowing bidders to submit one or more prebids with a maximum prebid amount to the system for recordal in the prebid database (7).

A prebid which is submitted to the Web site (2) which has only a maximum prebid amount associated therewith and no further parameters specified will be referred to herein as a "fixed prebid". This would be the straight-forward type of a prebid referred to in the example above. The second type of a prebid which is contemplated is a "flexible" prebid, which would include not only a maximum prebid amount, but also a minimum prebid amount. This would allow a bidder to submit an opening prebid (signified by the minimum prebid amount) as well as the highest amount which they are willing to bid (their maximum prebid amount). The system could then automatically increment the flexible prebids within the range defined by their minimum and maximum

prebid amounts to effectively conduct an ‘auction before the auction’ to ascertain the highest prebid which would be submitted to the live auction of the auction lot in question. Consider the following sample data, representing a prebidding contest using fixed and flexible prebids:

5

Prebid #	Bidder	Prebid Type	Minimum Prebid Amount	Maximum Prebid Amount
1	Tim	Fixed		\$350
2	John	Fixed		\$500
3	Frank	Flexible	\$600	\$5,000
4	Tim	Fixed		\$1,000
5	Dan	Flexible	\$1,200	\$4,000
6	Tim	Fixed		\$3,000

Flexible prebids could introduce an additional level of competition amongst bidders in their prebids. The minimum prebid amount would be the first amount which is used to calculate or compare prebids and based on the bid

10

increment as well as the spread between the minimum and maximum prebid amounts, a particular prebid could allow the system (2) a certain degree of leeway in “bidding up” their prebid to be successful over other fixed or flexible prebids with low minimum or maximum prebid amounts.

5

In this particular example 6 prebids are shown. Tim obviously has considerable interest in the item since he has placed 3 fixed prebids. The flexible prebids of the others, however, allow them to ‘set it and forget it’, so to speak, within their comfortable bidding range. For example, Frank’s \$600 opening bid is too low, but he has set a maximum prebid amount of \$5,000, which is the highest of the batch, so he would be the successful prebidder.

10

Upon determination of the winning prebid as outlined above, the maximum prebid of the winning prebid would be the amount which is submitted to the live auction of the auction lot. By and large, it is anticipated that it will be preferable method approach, since it does provide the maximum possible return to the auctioneer and the vendor of the auction lot, without exceeding the highest bid expectations of the successful prebidder. This is the trade-off which a bidder might be subject to in exchange for the convenience of

15

the flexible prebid. It is, however, alternatively contemplated that in certain cases it might be desired to set the maximum bid amount for the winning prebid to the final prebid balance of that prebid from the last knockout calculation, which potentially is the maximum amount for the winning prebid even though the initially specified maximum bid amount is either at or above the minimum bid amount of the flexible prebid.

This type of a calculation system would accommodate various prebid filing patterns wherein every prebid is a flexible prebid, every prebid is a fixed prebid, or alternatively where there is a combination of fixed and flexible prebids filed with respect to an auction lot. A functional extension of the merchandise database (6) might be to specify within the merchandise database (6), with respect to a particular auction lot, the types of prebids which can be made and then the prebid control system (12) would only allow, for example, fixed prebids to be filed in respect of an auction lot for which only fixed prebids are desired, and so on.

It will be understood that additional method of selection of a winning prebid from prebids received in the prebid database during the specified time

frame with respect to an auction lot can also be contemplated and are also understood to be within the scope of the claimed invention.

Conclusion

5

While the invention has been described herein with reference to certain preferred embodiments, these embodiments have been presented by way of example only, and not to limit the scope of the invention. Accordingly, the scope of the invention should be defined only in accordance with the claims that follow. In the following claims, reference characters used to designate claim steps are provided for convenience of description only, and are not intended to imply any particular order for performing the steps.

10